

permits that have reasonably foreseeable effects on any land or water use or natural resources of the coastal zone. Federal activities must be consistent to the maximum extent practicable with the enforceable policies of a coastal state's federally approved coastal management program. Under consistency authority, North Carolina may review the following stages of oil and gas development:

- 1) Development of the MMS Five-Year Lease Program.
- 2) Lease sale: the "bulk" lease sale that allows companies to bid for particular lease areas.
- 3) Plan of Exploration: the plan that describes how a company will explore in order to determine if the company will develop the lease site.
- 4) Plan of Development and Production: this lays out the plan for producing oil or gas from the lease site.
- 5) Decommissioning.

Background and Role of the Subcommittee

The Legislative Research Commission Advisory Subcommittee on Offshore Energy Exploration (Subcommittee) was established pursuant to G.S. 120-19.6(a1) by Senate President Pro-Tempore Marc Basnight and Speaker of the House of Representatives Joe Hackney to conduct an in-depth study of issues related to energy exploration off the coast of North Carolina. The Subcommittee consists of 24 public members, 12 appointed by President Pro-Temp Basnight and 12 appointed by the Speaker Hackney. The membership⁷ is broadly expert and philosophically diverse, including scientists, economists, and representatives from local governments and the energy sector.

The Subcommittee met in full 11 times over the course of its existence, beginning in April 2009 and ending in April 2010, when this final report was adopted. Meetings were held in various locations on the State's coast as well as in the Legislative Office Building in Raleigh. The Subcommittee's work was supported by central staff from the Legislative Services Office, and was greatly assisted by the national and international experts from a variety of organizations who were brought in from around the country to speak to the Subcommittee to help inform its deliberations.

The time committed to this process by the members of the Subcommittee has been significant. Many of the Subcommittee members presented information and issue items to the Subcommittee, provided recommendations for the Subcommittee to consider, and participated in the discussions of the Subcommittee's findings, recommendations, and legislative proposals. The work of the Subcommittee represents a valuable and comprehensive analysis of the present state of offshore energy issues in North Carolina to date.

While the five-year lease program process is largely governed by federal law, North Carolina can and does have a role to play. Many State and local officials have submitted comments to MMS regarding the development of the 2010-2015 draft proposed program (DPP) including Governor Bev Perdue, Secretary of Environment and Natural Resources Dee Freeman, the

⁷ A full listing of the Subcommittee membership and Staff is available in Appendix A of this report.